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WHEN ALL THEY THOUGHT WAS SOLID MELTED INTO AIR

Resisting Pauperization in Argentina during the 2002 Crisis

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Abstract: This article examines the actions that millions of new-poor Argentine citizens took when confronted with impoverishment during the country's economic crisis in 2002. Drawing on World Bank and Latinobarómetro survey data, it explores how their distinct understandings of citizenship; their possession of human, social, physical, cultural, and financial capital; and aspects of their middle-class identity shaped the very specific forms of resistance that they adopted compared to the structural poor. It provides insights into why some citizens perceived their hardship as a political problem, formed collective grievances, and manifested their resistance through protest, while others located the causes of hardship in their own deficiencies and tended to confine their responses to individual self-improvement strategies. It also finds that differences in personal biographies, experiences of poverty, and the changing spaces available to protest influenced individuals' choice of action.

One of the most sobering legacies of three decades of neoliberalism in Latin America has been the exposure of a significant proportion of its middle class to vulnerability and impoverishment. Yet since the conceptualization of new poverty in the early 1990s, these studies have almost exclusively focused on how such citizens and households deal with dramatic declines in material well-being in terms of their private self-improvement responses to external shocks. Research has approached these “coping strategies” from an array of disciplinary perspectives including analyses of psychological (Masseroni and Sauane 2002), cultural and civic (Minujín 2008), and consumer-based responses (Zurawicki and Braidot 2005). Others have examined the comparative advantages in terms of gaining work or pursuing self-employment opportunities that the new poor enjoy over the structurally poor (the long-term impoverished who possess few resources and little political or social power) due to their prior accumulation of superior social and cultural capital (Feijóo 2003). Notable studies have identified distinctive new-poor responses to government social policies (Aguirre 2008), and counterrational behaviors in seeking symbolic capital to preserve their class identity and loss of status (Kessler and Di Virgilio 2008; Ozarow 2008). Yet in this body of work, the political dimension of pauperization and how it is resisted by the middle class through collective behavior and protest actions (especially during periods of eco-

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conomic crisis) has been largely neglected (Richards and Gelleny 2006). I argue that impoverished citizens can also be understood as political agents.

One has only to look at Latin America's recent history to realize that many newly poor citizens do not simply resign themselves to their deteriorating economic circumstances by adopting coping strategies alone. For example, after several years of crisis in Venezuela during the 1980s, when structural adjustments imposed by the International Monetary Fund (IMF) pushed hundreds of thousands into poverty, many responded by participating in a wave of roadblocks, building occupations, and other collective protest actions that culminated in the 1989 Caracazo (López-Maya 2002). Meanwhile, Uruguay's new poor were at the forefront of its protest movement during the country's economic crisis in 2003.¹ In this article I draw on evidence from Argentina in 2002 to examine how the country's estimated 7.3 million largely well-educated and affluent citizens who became poor during its economic crisis (INDEC EPH Survey, 2003) resisted their hardship.² First, I ask what diachronic factors help to explain why citizens in this stratum demonstrated a growing tendency to join collective actions by 2002 but a greater inclination for private coping strategies in the 1990s (Svampa 2005). Second, I explore why some individuals and households participated in the numerous collective actions that erupted around the country in the months that followed the popular uprisings of December 19 and 20, 2001, while others restricted their strategies to the realm of private self-improvement.

Very few studies have concentrated on how Latin American households that become impoverished but are not structurally poor respond to economic adversity. These studies tend to scrutinize the actions of what they loosely define as the "middle class." In contrast, this article takes the view that it is precisely the diversity of this social class that makes the nuanced responses of different sectors within it (like the new poor) so intriguing. Mazzoni's (2007) study on the impact of pauperization on citizens' political beliefs in the Patagonian city of General Roca in the period following Argentina's crisis provides a rare and valuable exception. This article seeks to build on Mazzoni's research by exploring not just how impoverishment affected political attitudes but also the collective and private behaviors that those in this new-poor stratum enacted in response.

In order to consolidate and frame existing qualitative research in this field, I conduct a wide-ranging quantitative study that demarcates new-poor responses to the economic crisis from those of other strata. Statistical analyses that seek to do this have until now been absent due to the difficulty of using surveys to identify those households that can be assigned to a new-poor stratum (as originally conceptualized in Minujín, Beccaria, and Bustelo 1993), as well as by the scarcity of data that incorporates both protest and self-help responses to economic crisis. An analysis of secondary data from the World Bank's (2002) *Impact of the Social Crisis on Argentina* (ISCA) household survey permits this endeavor.

1. "El Prado se llenó ayer de protestas contra el gobierno," *La República*, September 15, 2003.

2. INDEC, Microdatos de la Encuesta Permanente de Hogares (EPH), Año 2003, www.indec.gov.ar; Ismael Bermúdez, "Ya son 21 millones los pobres en la Argentina," *Clarín.com*, January 1, 2003, <http://old.clarin.com/diario/2003/01/05/e-01701.htm>.

IMPOVERISHMENT, COLLECTIVE IDENTITY FORMATION, AND PROTEST

Research on new poverty has been driven by a legitimate concern that national governments, international financial institutions (IFIs), and nongovernmental institutions (NGOs) have dedicated their efforts to confronting structural poverty while neglecting policy initiatives that specifically support the new poor (or those vulnerable to becoming poor) (Kessler and Di Virgilio 2008). This research has tended to view such citizens solely as benefit-maximizing economic actors in terms of how they resist their hardship. Yet this assumption of rational choice has been criticized as atomistic and overly individualistic (Kelly and Breinlinger 1996), because in reality individual actions are shaped by the structural forces that both create and restrict the spaces available to act (so actions are not freely chosen). Such approaches also discount the possibility that impoverished citizens may develop a sense of shared identity, forge collective grievances with others who have also become poor, or recognize the power that solidarity and collective action could have in resisting their social descent (Tajfel and Turner 1986). When this happens, their political demands are typically expressed through collective protests to government, judicial, and financial authorities (Lipsky 1968). Therefore, in order to fully understand the impact of the Washington Consensus³ and economic crisis in Latin America, it is necessary to acknowledge that economic processes cannot be divorced from their social and political consequences. Economic strategies of resistance must be analyzed alongside political resistance and protest.

THE EMERGENCE OF NEW POVERTY IN LATIN AMERICA AND ARGENTINA

The new poor became a prominent feature of Latin America's socioeconomic landscape during the 1980s and 1990s, when in the wake of the debt crisis, and often as a condition of new IMF loans, many of the region's national governments began to replace their traditional import substitution industrialization development models with neoliberalism. The structural adjustment policies that they implemented led to a tide of privatizations, reductions in state welfare, increases in value-added taxes, and an erosion of trade union power (Minujín, Beccaria, and Bustelo 1993). With some national variations, these squeezed Latin America's middle class. The region's unemployment rate consequently rose from 5.8 percent to 8.7 percent between 1990 and 1999.⁴

As quality of life deteriorated for millions, the Economic Commission for Latin America and the Caribbean (CEPAL) declared that existing understandings of poverty were no longer adequate because the profile of the region's poor was be-

3. The Washington Consensus refers to the package of economic policies advocated by the US government, the IMF, and the World Bank and introduced in Argentina and the rest of Latin America during the 1990s. While these policies aimed to foster macroeconomic stabilization, trade and investment, and the expansion of market forces within the domestic economy, they also contributed to rising social problems such as unemployment and vulnerability by removing state welfare and labour protections.

4. CEPALSTAT Base de Datos, <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp> (accessed September 9, 2013).

coming increasingly heterogeneous (Katzman 1989). In 1993, Alberto Minujín and his colleagues developed this notion further by describing how a “new poor” social stratum had emerged in the region. Their conceptualization provided a welcome effort to construct a more comprehensive analysis of the increasingly complex nature of Latin American poverty. It understood that in spite of their present states of unemployment, low salaries, or low-skilled jobs, these citizens not only had their basic needs provided for but also had inherited distinct life histories; superior human, social, and cultural capital; and middle-class values and identities from their non-poor pasts. These characteristics meant that they behaved differently than the structural poor in terms of the self-improvement strategies that they enacted under conditions of economic hardship (Kessler and Di Virgilio 2008). This article contends that these features also influenced their distinctive protest behaviors.

Historically, Argentina boasted one of the most sizable middle classes in Latin America (Portes and Hoffman 2003) following several waves of European immigration in the early twentieth century. This class thrived under import substitution industrialization and benefited from the unusually accessible higher education and welfare systems that were developed under Peronism in the 1940s and 1950s. Given its unusually large middle class, Argentina has been particularly susceptible to a reversal of upward social mobility in comparison to other Latin American societies and has experienced three severe waves of new poverty in the last thirty years (Kessler and Di Virgilio 2008). In the 1980s the military junta’s public-sector wage freeze caused salaries to plummet by 40 percent, sparking the first wave. Then, during the 1990s, President Carlos Menem’s structural adjustment policies fragmented the middle class (Kessler 2003) and provoked an incremental rise in (unemployment-induced) poverty. However, Argentina’s third and most tumultuous episode of new poverty was spawned by the economic crisis of 2001–2002. A sequence of events including the government defaulting on most of its US\$132 billion debt and the consequent devaluation of the peso, a collapse in internal demand, the closure of thousands of businesses, and the subsequent loss of skilled jobs aggravated official unemployment, which soared to 22 percent by October 2002. Meanwhile, 54 percent of citizens found themselves below the poverty line (INDEC 2003), most of whom had previously lived comfortable lifestyles; Argentina’s middle class was almost extinguished overnight. Further, an acute credit shortage followed as the banks confiscated savers’ withdrawals as a result of an emergency government decree called the *corralito*, which aimed to prevent further capital flight. This policy removed an important safety net against vulnerability for millions of middle-class savers.

Although new poverty is largely a temporary and cyclical phenomenon from which citizens are eventually largely reabsorbed into the labor market, about a million of those who were pauperized during the 2001–2002 crisis remain income-impoorished today, in spite of the macroeconomic recovery since 2003.⁵

5. Guillermo Bertoldi, “La Argentina modelo 2009,” March 6, 2009, slide 4, <http://www.slideshare.net/guillermobertoldi/argentina-modelo-2009-1110075> (accessed November 14, 2011).

NEW-POOR RESPONSES: BETWEEN SELF-HELP AND PROTEST

Various sources have explored individual motivations for involvement in particular collective actions during Argentina's economic crisis in 2002. These actions include barter clubs (Bombal and Luzzi 2006); neighborhood assemblies (Svampa and Corral 2006); worker-recovered enterprises (Paiva 2004), when following the bankruptcy of a number of companies during the crisis, thousands of workers occupied their factories and offices and recommenced production without their bosses; *cacerolazos*, a popular form of protest in Argentina involving the banging of pots and pans (Briones and Mendoza 2003); and bank customers' *escrache* protests outside the banks that had confiscated deposits during the *corralito* (Svampa 2008). However, no study has scrutinized the motivations of newly impoverished participants in particular or sought to understand how hardship or a loss of social status affected their subjectivities, and how this sometimes induced politicized responses or collective forms of action. Having synthesized the literature on diachronically fluctuating middle-class political mobilization since the 1990s and sources that discuss individual involvement in particular actions to establish propositions about generative influences on new-poor collective action during the 2002 economic crisis, I identify three interrelated motivations: (1) the opportunities approach (supply/accessibility of actions); (2) subjectivities and collective identity arguments; and (3) political attitudes, economic need motivations, and tolerance of poverty debates. I divide these into "in-group considerations" (explanations for the increased tendency for the new poor to participate in collective actions in 2002 as a social stratum) and "private considerations" (why certain individuals engaged in such actions during the economic crisis and others did not).

In-Group Considerations in 2002

Growing opportunities for involvement in collective action / A study of 5,268 collective protests in Argentina between 1989 and 2003 indicates that the average annual number of protest actions was actually higher during the 1990s than during the crisis years of 2000–2003 (Schuster et al. 2006). Paradoxically, a plethora of qualitative research portrays an unprecedented level of protest by the middle sectors (which include the new poor) during this latter period (Adamovsky 2009; Svampa and Corral 2006), as well as their widespread participation in collective self-help initiatives. Longitudinal quantitative data that breaks down involvement in collective actions by class or social strata does not exist; however, we can infer that new-poor collective and protest activity increased during the crisis based on the proliferation of collective actions like the *cacerolazos* and neighborhood assemblies, which were construed as new methods of manifesting dissent that were sufficiently distinct from the traditional forms used by the working class and the structural poor. This allowed those in the middle sectors to engage in contentious actions while also reasserting their middle-class identity and restoring its important role on the national political scene (Svampa and Corral 2006). For example, the number of *cacerolazo* protests exploded from a nominal pre-December 2001

figure to 2,014 in the first three months of 2002 alone. Further, although barely any permanent popular or neighborhood assemblies existed before 2001, 277 were established in 2002 (Nueva Mayoría 2006). Middle-class savers' *escrache* protests also became widespread that year (Svampa 2008). Similarly, the number of barter clubs soared from half a dozen in 1995 (totaling several hundred participants) to 500 clubs (400,000 participants) in 2000, to 4,500 clubs (2.6 million participants) in 2002 (Bombal and Luzzi 2006). This can be attributed largely to contingent factors like the shortage of liquidity after the *corralito* and sovereign debt default.

These figures suggest that opportunities to join collective actions during 2002 were vastly greater compared to the 1990s; this increase may have fostered a higher rate of new-poor involvement in them.

Scale of the crisis, severity of economic need, and an emerging new-poor collective identity / Such was the relative scale and profundity of the 2002 crisis that the sense of shared crisis was far more evident than in the previous decade. Poverty shot up from 35 percent in October 2001 to 54 percent in May 2002, whereas it grew only slowly in the 1990s, from about 20 percent to 30 percent over ten years (INDEC 2003). This may have helped newly poor Argentines to understand their difficulties as part of a broader structural problem in 2001–2002, as did the systematic critique of neoliberalism's flaws that began to penetrate the media, popular culture, and academia (Grimson and Kessler 2005). Mass pauperization also cultivated the development of a collective identity of "shared frustrated hopes" between neighbors and acquaintances, as Mazzoni (2007) observed among General Roca's new poor. The stigma associated with middle-class impoverishment, which had restricted community-based responses in the prior decade, withered away, and a climate of resistance emerged during the "extraordinary year" of 2002 (Svampa 2005) that fostered collective solutions to the country's problems.

Hardship was also experienced more intensely in 2002 following the credit shortage, post-default currency devaluation, high inflation, and the seizure of savings in the *corralito*. This was unlike the 1990s, when a favorable macroeconomic context meant that impoverishment tended to be understood as a temporary state that would be resolved when suitable employment opportunities became available (Minujín, Beccaria, and Bustelo 1993). Profound financial need coupled with the apocalyptic economic scenario of 2002 made many despair (Briones and Mendoza 2003), and so for many, the perceived permanence of their fall called into question the validity of their very membership in the middle class (Grimson and Kessler 2005). This increased their inclination to respond more radically because they had relatively less to lose than the new-poor cohort of the previous decade.

Further, in light of the Lost Decade of the 1980s, the 1990s new poor perhaps expected relatively less than their 2002 peers, both materially for themselves, and of their government. In contrast, in 2001–2002, middle-class Argentines had not only enjoyed the prolonged economic boom of the 1990s but had also grown used to exceptionally high living standards under Convertibility, whereby the value of the Argentine peso had been artificially pegged to the US dollar since 1991. When these inflated expectations were suddenly frustrated during the onset of

the crisis, this “relative poverty”—the disparity between raised hopes but declining material conditions that J-Curve Theory (Davies 1971) postulates—may help to explain the outbreak of social unrest among the new poor in 2002.

Crisis of political legitimacy and reduced tolerance of hardship / In seeking to account for increasingly politicized and collective behaviors among the struggling middle class in 2002, the macroeconomic and political contexts in which their actions were situated help to explain the extent to which pauperization or social descent was politically tolerated. In the 1990s, impoverishment occurred amid an atmosphere of macroeconomic prosperity and perceived societal enrichment. Inflation had fallen from 4,900 percent in 1989 to single digits by the mid-1990s, and growth of between 4 and 10 percent was achieved every year between 1991 and 1998 with the exception of 1995.⁶ Many in this second wave of new poverty in the 1990s therefore credited the national government with prudent management of the country’s economy and therefore tolerated their personal hardship and were more inclined to internalize the reasons for it. The relative availability of work in the 1990s (only 29 percent of Argentines found themselves either underemployed or unemployed even at the worst point of the 1990s, whereas this figure hit 40 percent during 2002 [INDEC 2003]), and the fact that the national government, mass media, and many cultural outlets actively propagated the ascendant neoliberal values of self-reliance, entrepreneurship, and responsibility for one’s successes and failures, produced a general retreat into private coping strategies in the 1990s (Svampa 2005).

However, by 2002 the national picture had been transformed. Argentina had been in recession for three years, and disillusionment with the political system was escalating, not only due to politicians’ inability to save the country from its most serious economic collapse in history, or the paralysis in the state legislature after the October 2001 election, but also following a catalog of political scandals (for example in 2000 it was revealed that a large number of senators had been bribed to pass the Labor Reform Bill), which added to the impression that the political establishment was corrupt and self-serving. This precipitated a crisis of legitimacy that was magnified among those in the struggling middle class who had more sophisticated notions of political citizenship and acceptable conduct (Mazzoni 2007). The middle class also felt politically abandoned due to their estrangement from the institutions that had traditionally represented them, like the Radical Party (Lupu and Stokes 2009). This left them without an electoral outlet to express their dissatisfaction at their own social descent. Further, in terms of the trade union confederations, while the Argentine Worker’s Congress (CTA, Central de Trabajadores de la Argentina) had helped to mobilize some newly impoverished sectors, it struggled to keep pace with the radicalism of 2002 and was rendered incapable of filling the void of representation (Svampa 2006). Meanwhile the Peronist-controlled Workers’ Confederation (CGT, Confederación General de Trabajo) was understood by many to be part of the old exhausted system. Contingent events like the corralito or President Fernando de la Rúa’s declaration of

6. CEPALSTAT Base de Datos.

a state of siege on December 19, 2001, undoubtedly increased the likelihood that Argentines would absolve themselves of responsibility for their own hardship and instead attribute it to specific government or IMF policies. For many, this consequently raised the prospect of a protest response.

Finally, the collapse of the Convertibility model after the sovereign debt default in early 2002 also influenced middle-class political behavior during the crisis. Under the policy during the 1990s, Argentines had been endowed with unprecedented purchasing power due to the cheap prices of imports, low cost of borrowing, and sudden availability of credit. The fact that so many were rapidly able to imitate the consumption patterns of the European and North American middle classes created the illusion that Argentina had finally “joined the First World.” This achievement was equated with the fulfillment of Argentina’s national destiny of “grandeur,” which had been promised since European immigrants had first been enticed to Argentine shores in the late nineteenth century (Armony and Armony 2005). Millions conflated their newfound luxury spending habits with the achievement of upward social mobility and membership in the middle class. This added to the general sense of affluence that further atomized opposition to the neoliberal reforms in the 1990s and deterred those who did become poor at the time from politically resisting their fate. When Convertibility crumbled in 2002 and many of the luxury imported goods that Argentines had become accustomed to suddenly became unaffordable, their belief in all these myths simply “melted into air.” The distressing reality that they had been deceived invoked immense anger and distrust in the political establishment, prompting many to take to the streets in an attempt to recover their honor.

Continuity in the resistance, 1990s–2002 / Nevertheless, far from completely acquiescing to their descent, diverse elements of the struggling middle sectors were also at the forefront of resistance to structural adjustment throughout the 1990s. This included small and medium-sized agricultural producers that joined the *tractorazo* protest in 1994, teachers and civil servants who were active in the CTA, as well as various business associations that participated in the 1995 general strike (Adamovsky 2009). However, while in the 1990s they tended to resist their impoverishment as part of the labor movement or through professional associations by using traditional forms of protest, by 2002 they did so more consciously as a newly pauperized sector of society, and also adopted new and autonomous forms of action with horizontal leadership structures that fell outside the institutionalized spaces of representative democracy (Adamovsky 2009). In 2002, preferred neighborhood-based organizational methods such as assemblies and mass street protests were adapted from earlier territorialized “repertoires of protest” (Tilly 2006), such as the 1982 *vecinazo* uprisings and the 1990s *puebladas*. Although these were relatively new in twentieth-century Argentina, by the beginning of 2000 they had been incorporated into the repertoires of broad sectors of the population and thus became a more naturalized response among the middle class when they too faced adverse economic conditions. In these senses, the 2001–2002 scenario should not be considered as a historically distinct period of new-poor collective resistance but as an upsurge of the existing one.

Private Considerations in 2002

Localized opportunities for collective action / Nueva Mayoría data (2006) conveys a marked geographical variation in the frequency of permanent neighborhood assemblies, cacerolazo protests, and barter clubs that existed among Argentina's provinces in 2002 (table 1). Notwithstanding reliability problems about the accurate recording of all possible actions, and not accounting for regional differences in transport, infrastructure, terrain, or distance to population hubs, the figures suggest the ease with which actions could be located and joined in proximity to one's locality.

The data unequivocally posits the city of Buenos Aires as the district with the greatest concentration of actions. It boasted 41 percent of the neighborhood assemblies and 26 percent of the cacerolazo protests, despite containing only 7 percent of the national population. Its residents also had the shortest average distance to travel in order to take part in collective actions (just 200 meters). Buenos Aires Province was the location of a vastly disproportionate number of barter clubs (60 percent of the total national figure) and offered relatively close physical proximity to collective actions, as did Santa Fe Province. On this basis, the hypothesis emerges that newly impoverished Argentines would have been more likely to join collective actions if they lived in these three districts and less inclined to do so in the remaining parts of the country.

Tolerance and tangibility of hardship / An intrinsic relationship between self-help and protest actions may also be documented. With reference to Argentina, Powers (1999) argues that material concerns become understood as a political problem when personal tolerance of pauperization declines. Such situations may arise when citizens are either unable to find sufficient economic coping mechanisms to satisfy their needs (if these mechanisms are undermined or are unsuccessful) or if one's poverty is experienced more intensely (thus invoking anger and less rational responses). When economic aspirations continue to be frustrated or lifestyle sacrifices move beyond the realms of acceptability, citizens begin to examine the structural reasons for their descent, excuse themselves of culpability for their hardship, and channel their demands politically. From this background the following propositions can be formulated. Individuals were more likely to resort to protest who were either (1) unable to secure adequate employment or other private income sources, (2) experienced higher income losses, or (3) had prior experience of political activism.

DATA AND METHODS

Survey Instruments and Research Objectives

Research draws on survey data from two secondary sources. The first, the World Bank-commissioned ISCA national household survey, covered 9,209 individuals (6,531 adults) in 2,800 households in 2002. It was stratified by both city size and region for urban areas according to census data so is representative of

Table 1 Geographical distribution of collective actions, 2002

District	Popular assemblies	% total	Cacerolazo protests	% total	Barter clubs	% total	Population as % national	Km ² per collective action
City of Buenos Aires	112	41%	529	26%	208	4%	7%	0.2
Buenos Aires Province	105	39%	329	16%	3,000	60%	38%	90
Santa Fe	37	14%	261	13%	900	18%	8%	111
Cordoba	11	4%	187	9%	95	2%	8%	564
Rio Negro	2	1%	38	2%	180	4%	2%	923
Mendoza	0	0%	129	6%	65	1%	4%	767
Other	5	1%	541	28%	559	10%	33%	
Total	277	100	2,094	100	5,356	100	100	

Source: Nueva Mayoría 2006; 2010 Census

the heterogeneity of the country's urban new poor, although the survey was not large enough to accurately represent Argentina's rural population. Conducted by an Argentine market research firm, OPSM (Opinión Pública, Servicios y Mercados), the objective was to understand how households survived the country's economic crisis and how it affected their members' well-being. For the purposes of this article, the original data set was used in several ways: (1) to identify what forms of resistance were employed by Argentines who became impoverished during the crisis; (2) to observe how their modes of resistance differed from those of the structural poor by analyzing the effects that their possession of certain middle-class characteristics (like superior capital assets and notions of identity) had on their responses; and (3) to examine how individuals' choice of action was affected by differences in their experiences of poverty, biographical histories, and labor market position. In order to understand the social attitudes and political perspectives that informed these actions, data was triangulated by referencing a second public opinion survey from the same year (Latinobarómetro 2002). This additional data helped to discover how the new poor felt about their own hardship, the degree to which they were prepared to politically tolerate it, and the extent to which they felt that self-help opportunities existed to aid their emergence from poverty. Latinobarómetro survey results from 1995 (Argentina's only year of recession in the 1990s) were also consulted to observe how newly poor Argentines' opinions changed between a year of economic downturn during that decade and 2002. Examining how their attitudes evolved over time helps us to understand the diachronic fluctuations in the actions that they took when confronted with poverty.

Sampling Procedure and Data Limitations

The ISCA Survey's participants completed a closed questionnaire once during May/June 2002 and again during October/November 2002. Its two data collection rounds enabled a stratified sample of the new poor to be obtained by first attaining a sample of all those individual adults who lived in households that had officially become "income poor" (whose monthly per capita income fell below \$232 pesos or US\$2 dollars per day) during the six months between data collection rounds. Due to the high proportion of household income that is generated from informal work in Argentina (45.1 percent of all jobs in 2002 were informal, INDEC 2003), the survey measured income that was derived from both monetary practices like formally or informally waged work and also nonmonetary arrangements such as barter credits, food vouchers, or income received in any of the conglomeration of parallel currencies that were in circulation at the time.

The final new-poor sample included only those individuals who also possessed the qualitative "basic needs" characteristics that Minujín, Beccaria, and Bustelo (1993) described in their conceptualization of new poverty, namely adequate housing conditions (that is, residence in a house or apartment rather than in a shantytown or other precarious forms of habitation); access to electricity and running water; and a high level of education (completed secondary school

or more). Using these criteria reduced the number of cases to 314.⁷ In this way the impact of impoverishment on action could be determined by comparing pre- and post-pauperization responses. The small sample size may make the results susceptible to a type-II error (by which the null hypothesis is falsely accepted), and so creates an underreporting of significant test results. While this important data limitation is acknowledged, attempts were made to mitigate it by measuring the outcomes at 90 percent (rather than 95 percent) confidence levels (Verrill and Durst 2005). Further, an important methodological point should be stressed here. Given both the theoretical social, economic, and geographic heterogeneity of new poverty and the actual demographic diversity of the survey sample, any statistically significant test results that explain the actions of particular subgroups should not be interpreted as absolute and fully generalizable to the entire urban new-poor population but rather understood as merely behavioral tendencies that were manifested by this stratum at that particular moment in Argentine history.

An additional issue was that ISCA recorded only formal responses. Thus important but often illegal or informal activities like looting, criminality, or graffiti were omitted. Also, the selection of variables to test was prejudiced by the original survey authors' understandings of what categories are important in explaining behavior, which may have conflicted with those that mattered most to the survey participants themselves.

In terms of *Latinobarómetro*, this survey was representative of the national population across gender, socioeconomic status, and age. Its participants also completed closed questionnaires and were requested to reflect on the extent to which they agreed with a series of statements about politics, institutions, economic models, and so on. This survey did not record income data, so only those participants who subjectively perceived that their economic circumstances had declined (and who possessed the same three biographical characteristics: adequate housing conditions, access to utilities, and high education levels) were included in the new-poor sample. The opinions of those in this sample are therefore only indicative of those of that which was obtained from the ISCA survey. Of the 1,200 adults in the original *Latinobarómetro* survey, the new-poor sample included 202 cases in 2002 (17 percent of the sample universe) and 124 cases in 1995 (10 percent).

Classifying Responses

Motivations for participation in any particular self-help or protest action can be multidimensional and driven by self-interest, altruism, idealism, or collective concerns. However, in this paper the responses have been categorized in accordance with how they were described by the ISCA Survey's designers (see table 2).

7. It is important to note that while this constitutes 4.8 percent of the adult population in the survey universe, it represents an equivalent of two million Argentines who became poor between May and October 2002. This figure closely matches INDEC's own estimated 4.6 percent increase in the numbers who became poor during the same time frame, which suggests that the heterogeneity of the new-poor population at the time is accurately reflected in the new-poor sample that is the focus of this research.

Table 2 *Classification of different response actions in Argentina during 2002*

Response category	Indicators of action
Individual self-improvement	Work, self-employment, rent/dividends, gifts, redundancy pay, pension, charity, exchanging goods, buying on trust, friend/family loan, bank loan, savings, credit, sale/pawn of assets, <i>cartonero</i> (waste collecting), state aid, nonstate aid, other
Collective self-improvement	School soup kitchen, community soup kitchen, communal purchasing, barter clubs, bric-a-bracs, cooperative business, neighborhood job center, community fund-raising, babysitting, public welfare lobbying, public works, communal squatting, communal security, other
Individual protest	Voting
Collective protest	<i>Cacerolazos</i> , strikes, neighborhood assemblies, pickets, demonstrations, public meetings, church/social group protests, other

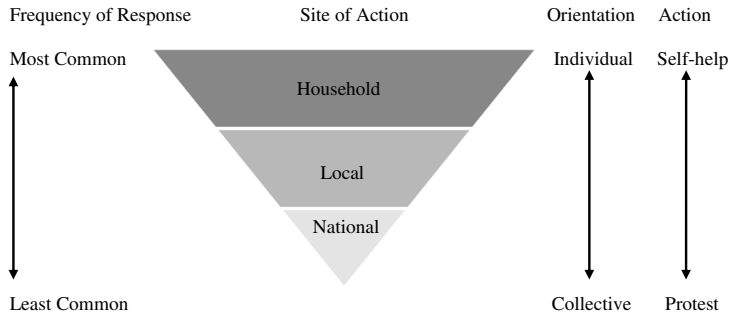
Data on voting behavior was obtained separately from Latinobarómetro. Actions are regarded as “collective” if they involved a “joint commitment” by multiple households to a single outcome, in which each played their part in making it happen. Cases in which single households pursued their particular goals independently of others (receipt of state aid, for example) are deemed to be individual responses. These usually occurred in physical isolation (like an office or voting booth) and could be performed regardless of others’ involvement. While the ultimate goal of protest is usually some kind of self-improvement, responses are classified as the latter here only if they sought immediate material enrichment. If the desired improvement needed to traverse a political stage through the process of “demand-making” to some kind of authority, then they were deemed to be protests.

SURVEY RESULTS

Forms of Resistance

In the face of economic hardship, individual household-level strategies were the most freely used response and were employed by all those in the new-poor sample. Collective action was less commonly undertaken, having been pursued by 28.3 percent; and while 12.4 percent joined collective self-help activities, 20.1 percent engaged in collective protests (some survey participants took part in both). Local actions—such as those at community job centers, barter clubs, or neighborhood assemblies—proved more popular than actions that adopted a national focus. Based on these results, figure 1 illustrates how the new poor organized their resistance.

It was especially interesting to observe how the modes of organization the new



Source: World Bank ISCA Survey

Figure 1 Forms of organization among the Argentine new poor in 2002

poor adopted compared to those of their structurally poor counterparts. Newly impoverished Argentines were almost twice as likely to participate in collective actions (either self-improvement or protest), with 28.3 percent doing so compared to 15.1 percent of the structural poor ($p = .00$). The reasons for this cannot be explained exhaustively using the survey data alone. However, I suggest three explanations. First, the modes of collective action that blossomed during that era tended to be both more attractive and more relevant to the grievances of impoverished middle-class citizens. For example, it was the middle class, not the structural poor, who lost their savings and so tended to join the escraches of the banks at the time (Svampa 2008). Meanwhile, 40 percent of neighborhood assembly members were middle class (Nueva Mayoría 2002) because it was a form of resistance that particularly appealed to their heightened sense of political citizenship (Mazzoni 2007). Second, these collective actions tended to take place in urban middle-class districts where the new poor resided, rather than in pockets of absolute poverty in Argentina's shantytowns (Svampa and Corral 2006). Furthermore, the new poor's relative abundance of social, human, and financial capital (Kessler and Di Virgilio 2008) placed them in a much stronger position to mobilize collectively, because they could exploit networks of well-connected contacts to enact such solutions.

Finally, the fact that members of the new poor were more likely than the structurally poor to join others to confront their impoverishment during the 2002 economic crisis indicates that new poverty was no longer "hidden," as was observed in the 1990s, due to the shame of openly manifesting one's struggling financial circumstances (Minujín, Beccaria, and Bustelo 1993). It also gives credence to Mazzoni's (2007) proposition that many came to understand that they were part of a social stratum that was "in descent" and that working collectively with others who were encountering the same experience was an important way to improve their in-group's situation. The result potentially offers support to the "politicized collective identity pathway" to social movement participation (Tajfel

and Turner 1986) but should be investigated further as it cannot be decisively proven here.

Attitudes, Opportunities, and Influences That Informed New-Poor Group Behavior

Latinobarómetro data suggests that changing macroeconomic and political contexts expanded the spaces available for newly poor Argentines to resist their fate collectively or through protest in 2002 compared to 1995, and also influenced their attitudes and how they perceived their pauperization.

New-poor subjectivities: From self-blame in the 1990s to the legitimacy crisis / The results seem to confirm that during the 1990s newly poor Argentines were more likely to accept the narrative that their hardship was due to their own personal deficiencies, but by 2002 many had profoundly reassessed the causes of their plight. Table 3 indicates that when posed with the question of who was to blame for the crisis that led to their impoverishment in 2002, 70 percent concluded that responsibility lay with their government, while a large proportion also understood their fall to be grounded in the actions of the IMF (38 percent), banks (21 percent), or economic processes such as globalization (26 percent). Less than a fifth saw themselves as at fault as individuals in any way. Multiple answers were permitted, so a minority may have simultaneously blamed themselves and apportioned responsibility to structural or institutional causes. However, the loss of faith in their elected leaders between 1995 and 2002 is demonstrated by the fact that the proportion that held “no confidence” in the government to run their affairs climbed sharply from 49 percent to 82 percent ($p = .00$). Impoverishment was increasingly understood as a political problem that needed to be contested through protest rather than simply through private coping strategies.

Between 1995 and 2002, newly poor citizens were not simply disillusioned with the government, but their trust in each of Argentina’s key institutions, especially those that purportedly held a representative function (government, parliament, political parties, and trade unions), dramatically collapsed (see figure 2). This supports assertions that a crisis of legitimacy existed in Argentina at the time, especially among those in the middle class who had suffered financially. Notably, their confidence in these institutions had not recovered by 2005 in spite

Table 3 Who the new poor blamed for the economic crisis in 2002

Government’s economic policy	70%
International Monetary Fund	38%
Globalization	26%
Banks	21%
Lack of domestic production	20%
Lack of individual enterprise	18%
Lack of investment	15%
World Trade Organization	7%

Source: Latinobarómetro

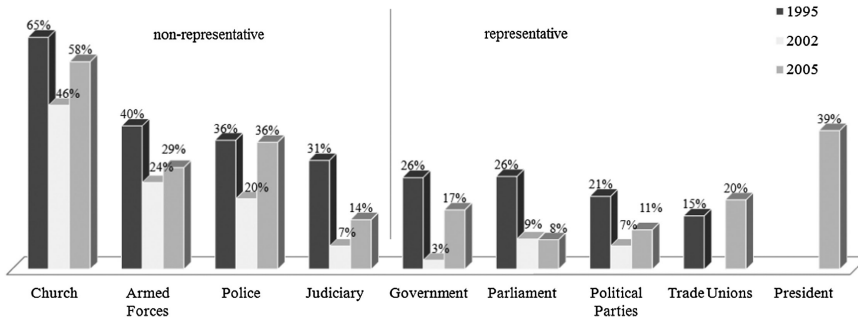


Figure 2 Confidence in Argentina's institutions among the new poor, 1995–2005. Data from *Latinobarómetro*.

of the strong macroeconomic recovery. At least among the new poor, an underlying crisis of representation seems to have endured for several years.

Economic context and reduced political tolerance of material hardship / In 1995, 77 percent of the new poor believed that the country's economic problems were either being solved or would be solved given more time. Yet as table 3 indicates, by 2002, when GDP had shrunk by 20 percent in the previous two years (INDEC 2003), almost the same proportion (70 percent) actually blamed their government's economic policies for having caused the crisis. The volatility of the era, the sovereign debt default, and policy mistakes in the latter period that were evident from the breakdown of Convertibility and the corralito made it appear that the government had lost control of the economy. The macroeconomic situation therefore seems to have been an important factor in how the Argentine new poor decided to resist their plight. This confirms Powers's (1999) assertion that when Argentines believed Menem's government was managing the economy well in the 1990s, they were prepared to politically tolerate high personal economic costs and tended to blame themselves for their own misfortunes. Yet when they felt that their political leaders had displayed economic incompetence (in 2002), this politicized the way that they viewed their circumstances, and they relinquished personal responsibility for it. This fomented political opposition and made protest responses more likely.

Undermined self-help opportunities but increased spaces for collective protest / The results also indicate that a decision to join collective protests may have become more appealing in 2002 because the relative gravity of the economic crisis meant that the new poor were denied opportunities to pursue the same individual self-help strategies that had remained open to them in the previous decade. In the 1990s, obtaining bank loans to start businesses, using credit cards, and tapping savings were among the coping strategies that were easily enacted to maintain standards of living. Such liquidity was simply not available after Argentina's sovereign debt default in December 2001. Further, INDEC's unemployment figures cited earlier

highlight the shrinking spaces for individual self-help in the labor market between the 1990s and 2002 (especially skilled jobs, in which the new poor tended to be employed). With so few qualified jobs available, it meant that elements of their human capital, such as their superior qualifications and skills, counted for little. During the 2002 crisis, many perceived the eroding value of their possession of key assets, which would normally have helped them to achieve upward mobility. Consequently, the proportion who believed that “working hard leads to success” fell significantly from 60 percent in 1995 to 45 percent by 2002 ($p = .01$).

The value of social capital also depreciated during the 2002 crisis. Networks of well-connected and affluent professional acquaintances, which the new-poor citizens had previously benefited from to leverage employment, promotions, and business recommendations, dried up (Ozarow 2008). On the supply side this was because these networks were often bereft of resources themselves (for example because of the sheer scale of pauperization, or because very few small and medium-sized businesses were financially able to recruit new staff), while on the demand side, some newly poor Argentines felt too embarrassed to admit their dramatic descent and ask for assistance. Thus despite the value of their social capital during times of macroeconomic stability, in the context of crisis it became a superfluous resource (Kessler and Di Virgilio 2008). Accordingly, those who believed that “success in life depends on who you know” dwindled from 75 percent in 1995 to 60 percent in 2002 ($p = .01$). With ever fewer believing it was possible to recoup their lost socioeconomic status through their own efforts or connections, political tolerance of hardship weakened and protest was increasingly favored.

Finally, the results confirmed that individuals tended to discredit traditional electoral spaces (individual protest) to contest their condition during the crisis. In 1995, the belief that “the way you vote can change things” was strongly supported (by 73 percent of the new poor), and 81 percent also stated that they would “vote for an opposition party.” By the time of the *voto bronca* in the October 2001 legislative elections, however, widespread disillusionment with the political class led citizens to vest more faith in alternative forms of grassroots participatory democracy like the neighborhood assemblies (Svampa 2006).⁸

Influences on Individual Action

Relative hardship stimulates protest but absolute hardship prompts self-help / Neither the experience of becoming poor nor the extent of absolute material deprivation had a generative impact on the decision to engage in collective protest. Those who fell slightly below the poverty line were just as likely to join collective protests as more profoundly (and newly) impoverished Argentines. However, those who ended up with lower incomes were inclined to pursue a wider range (between three and eleven) of different economic coping strategies. Prior work on the new poor suggests that at lower depths of poverty, many of the taboos that prevent certain forms of self-help action by the new poor—such as hostility to the idea of

8. In the *voto bronca*, half of the electorate either spoiled their ballot papers or abstained, despite the legal obligation to vote.

accepting charity and state welfare (Aguirre 2008), or embarrassment over borrowing money from acquaintances (Minujín, Beccaria, and Bustelo 1993)—are overcome as the need for sheer survival takes precedence. The survey results show that those in greater depths of poverty also tended to pursue more collective self-improvement actions. In the context of a macroeconomic crisis where few skilled jobs were available, collective actions like barter clubs (especially when understood as a substitute form of work; Bombal and Luzzi 2006) or worker-recovered companies and cooperatives were attractive for those with the lowest incomes (usually the unemployed or underemployed), because they provided both a means of subsistence and a sense of self-worth and permitted a recovery of professional identities (Paiva 2004).

The degree of income fall (how suddenly impoverishment arose) was found to have influenced the decision to join the protests. In those households with no income loss (income which slipped below the poverty line solely due to inflation), 16 percent subsequently joined a protest; however among those who lost between half and all of their income, this rose significantly to 28 percent ($p = .04$). Conclusive findings cannot be drawn due to the low percentage difference between them, but this result supports the theoretical implication that responses seem to adopt the form of “demand-making” through protest when income losses tangibly affect quality of life.

Biographical histories: The activist or nonactivist dichotomy / Newly impoverished citizens in 2002 were far more likely to have joined a protest if they had a prior history of involvement in communal organizations (in its broadest sense, encompassing political parties, the church, NGOs, trade unions, sports clubs, etc.). Fifty-four percent of the new poor with such backgrounds did so, compared to just 19 percent of those without ($p = .00$). This builds on previous empirical work that demonstrates the causal link between civic and political engagement in Latin America (Klesner 2007). Such affiliations aided exposure to social networks that possibly raised awareness about the available opportunities to take part in collective actions.

Evidence also shows that pauperization generally invoked two polarized sets of responses, with participants either actively engaging in both collective protest and a wide variety of self-improvement strategies (named the “activists” here), or minimizing their self-help strategies while refraining from protests altogether (“nonactivists”). Of those who pursued a low range of self-help strategies (fewer than three), only 13 percent took part in collective protests, yet among those who pursued a wide range, the proportion who also engaged in collective protests more than doubled to 31 percent ($p = .00$). Moreover, the results show that despite the extra energies that they expended in both types of activity, the activists also dedicated longer hours to paid employment.

Such a polarization might be explained by the fact that during periods of political and economic turmoil, the traumatic experience of sudden pauperization has been found to induce mental paralysis and a denial of one’s reality (Plotkin 2003) or demoralization (which extinguishes the desire to resist their plight) among those with such cognitive predispositions, thus explaining the intransigence of

those in the nonactivist group. However, for others, such experiences can instead ignite anger and activism (Oskarson 2010), invigorating a desire to ameliorate their household's circumstances through self-help while also contesting them through protest. It was also found that a significant minority tended to engage in both collective self-help activities and collective protest. This was perhaps due to the fact that specific collective protests or actions of economic solidarity acted as sites of awareness raising and social networking during the crisis, where parallel collective actions could be actively or casually promoted to participants (Paiva 2004; Svampa and Corral 2006). This meant that involvement in one collective activity often led to participation in another.

Position within the labor market: Work and politicization / One of the most intriguing results that this study uncovered was the politicizing impact that spending time at work tended to have on responses to pauperization. As figure 3 illustrates, newly poor Argentines who dedicated longer hours to paid work demonstrated a far greater propensity to join the protest movement. In new-poor households where no one was employed (with zero average working hours), Argentines were three times more likely to enact higher ranges of self-help strategies rather than protest responses. However, this ratio decreased to a ratio of 2:1 when household members were working 1–20 hours per week, 1.5:1 at 21–40 hours, and then among those who worked the longest hours (41–60 hours), a protest response became equally likely. At first sight this seems surprising because it refutes the rational-choice assumption that working more results in less spare time available to engage in protest activities. Also, as a one-way ANOVA test proved, in those households where longer hours were worked, average per capita incomes were higher, therefore members of these households should theoretically have had fewer economic grievances.

I propose three alternative hypotheses to explain this relationship between work and politicization. First, those who worked hardest may have felt especially aggrieved by their impoverishment, because the meritocratic ideals that are central to the middle-class Argentine belief system (Armony and Armony 2005) would have been breached more openly. Those who dedicated considerable efforts to striving for self-improvement through their own labor may be less inclined to blame themselves for their hardship and instead construe their fate as a political problem. The second possibility is that spending more time in the presence of work colleagues may have increased their exposure to others with similar grievances. The workplace thus may have acted as an important site of social interaction that cultivated formation of collective grievances and identity. Third, those working longer hours may have been more motivated to protest to defend their interests because they risked forfeiting higher levels of income than those working (and earning) less, if the crisis remained unresolved.

Physical proximity to sites of collective action / Although among the general survey universe, citizens were significantly more likely to take part in collective protests if they lived in the city of Buenos Aires (31 percent) compared to Buenos Aires Province (21 percent) or Argentina's remaining provinces (21 percent; $p = .00$),

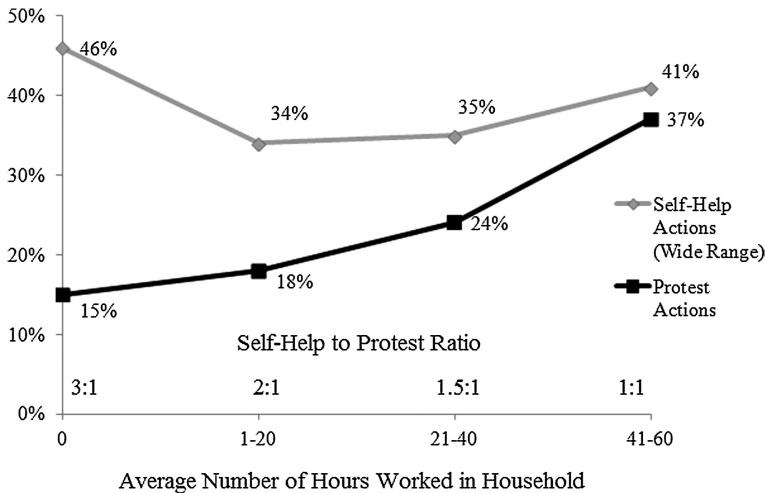


Figure 3 Working hours and responses to impoverishment in Argentina, 2002. Data from World Bank ISCA Survey, 2002.

perhaps surprisingly, no significant difference was identified among the new poor. Argentines' decisions about whether to resist their impoverishment individually or collectively were therefore not influenced by whether such opportunities physically existed within their province.

Comparing Responses of New Poor and Structural Poor: Utilizing Superior Capital Assets as a New-Poor Survival Strategy

Only 28 percent of the new poor saw their incomes diminish below the dollar-a-day marker of absolute poverty, compared to 55 percent of the structurally poor ($p = .00$). We can deduce from this that as well-educated, often home-owning citizens with managerial or professional employment experience, their ability to exploit their superior human, financial, physical, and social capital generally helped the new poor to avoid indigence during the crisis.

Table 4 compares levels of engagement in active self-help strategies between the newly and the structurally poor. Although the new-poor employment rate (83 percent) was not significantly different from that of the structural poor (77 percent), the new poor's average waged income was 17 percent higher, in itself probably largely due to their superior human capital. The results also illustrate that they were statistically significantly more likely to gain access to credit, bank loans, rental earnings, and savings, or to sell/pawn assets as part of their coping strategies (although the evidence is not resounding due to the weak power of the test). The new poor's higher home ownership, salaries, formal employment, and professional networks apparently also gave them advantages in seeking additional financial capital to survive.

Interestingly, the results show that social networking strategies were undertaken by twice as many structurally poor (32 percent) as new poor (17 percent). Although this might seem unexpected because those in the impoverished middle class were much better connected to networks of professionals and those with status or financial resources, it seems to support evidence described earlier that many were simply too ashamed to approach circles of middle-class friends and acquaintances for help following impoverishment, or that the kinds of favors that they could offer possessed little currency in a situation of deep economic crisis and pauperization. Similarly, it was found that only 5 percent of the new poor were enrolled in state welfare programs, as compared to 22 percent of the structural poor. ISCA data revealed a reluctance to apply for unemployment benefits (Plan Jefes y Jefas de Hogar) among the new poor, with a quarter of those who were eligible refusing to register.

Such ambivalence toward state aid often resulted from a desire to maintain their middle-class identity, which led the new poor to prefer strategies that were believed to symbolize the middle-class values of self-sufficiency and individual enterprise (Svampa 2005). The survey also indicated that the new poor (29 percent) were significantly more likely to become self-employed than the structural poor (13 percent), substantiating several qualitative sources that point to the symbolic importance that the new poor gave to (often informally) establishing a microenterprise as a response to unemployment in light of the scarce opportunities for labor market reintegration during 2002. This was often the only option available to newly poor Argentines in order to avoid the horrifying prospect of having no work, something which was viewed as synonymous with being "outside the system" in the middle-class psyche. It was also comparatively easier for them to do so because unlike many of the structurally poor, they often possessed the necessary physical capital such as telephones, personal computers, and homes, as well as the relevant employment experience and social networks for them to flourish (Bayón 2003).

Table 4 New and structurally poor households' self-help strategies (June–November 2002)

	New poor %	Structural poor %
Work	83	77
Social networks (gifts/loans from outside household)	17	32*
Financial capital (credit card/bank loan/savings/sell assets)	16**	8
Advanced payments	10	6
State aid (nonpension benefits)	5	22*
Barter	3	4
Cartoneros	0	4

Source: Data from World Bank ISCA Survey, 2002

Note: Chi-square statistic identifies a significant difference between new and structural poor at *0.01 and **0.1 levels.

CONCLUSIONS

This article has shown that although Argentines overwhelmingly favored the pursuit of individual self-improvement actions when resisting impoverishment during the economic crisis in 2002, almost a third also pursued collective actions during the six-month period under scrutiny, including one in five who engaged in collective protests.

Amid a catastrophic macroeconomic climate, mass pauperization, and a crisis of political legitimacy, the relative tolerance displayed by the new poor who faced hardship in the 1990s rapidly dissipated. Rather than internalizing the causes of descent, by 2002 citizens increasingly ascribed it to structural processes and specific political and financial institutions. The resulting transformation in subjectivities expanded opportunities for collective identity formation and politicization, which promptly translated into heightened involvement in collective action.

While the experience of having become poor in itself had no effect on whether Argentines decided to protest, they were more likely to do so if they experienced deeper and more sudden financial losses, if their privations became more discernible in daily life, if they had histories of involvement in collective organizations, or if they worked longer hours. No evidence was found that geographical proximity to sites of collective action influenced such decisions. Those with lower absolute household income levels tended to engage more in self-improvement strategies.

The research also revealed that the new poor's possession of superior human and physical capital aided the pursuit of certain private coping strategies (especially self-employment), relative to their structurally poor compatriots. Elements of their more sophisticated cultural and political capital as well as an unyielding desire to uphold their middle-class identities also influenced both the decision to join protests and which particular protest forms were favored.

However, an important caveat must be added to these results. Some of the limitations of using closed secondary data and quantitative sources as the basis for explanations of new-poor behavior have been noted. For example the ISCA Survey's emphasis on income as a central indicator of household well-being and behavioral motivation—rather than feelings of “love,” “future prospects,” “solidarity,” or other categories that newly poor Argentines may have expressed—limit the explanatory power of this research. This article may prove most useful as a framework for needed additional qualitative research to build on previous studies, so that a more comprehensive understanding about political responses to new impoverishment can be developed.

Other themes emerging from this research that require further investigation include the question of why two-thirds of the Argentine new poor did not engage in any collective actions despite the climate of economic chaos and social unrest in 2002. Understanding political docility during times of economic crises is an under-researched issue, despite being equally as important for social movement theorists as explaining political mobilization. The association between the propensity to protest and time spent in the workplace raises intriguing questions

about how the infringement of middle-class values such as meritocracy and self-sufficiency can sow the seeds of political resistance.

In contrast to the first wave of new poor, whose collective resistance to impoverishment was subdued by the threat of military repression until 1983, or the second wave, which fell victim to consumerist co-optation under Convertibility between 1992 and 2001, the third wave of new poor was liberated from such modes of hegemonic domination. This opened up opportunities to engage in collective actions in 2002 that had not previously existed.

The "pink tide" that has been the defining feature of Latin America's political landscape in the past decade has left in its wake highly politicized societies that display greater levels of social mobilization than at any point since the 1970s. The next time Latin America experiences a region-wide economic crisis, the question of whether those from its middle class who become poor opt for collective protest rather than simply private coping strategies will carry far more significance than it has for many decades.

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